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whether the State Government are in correspondence with the Government of India. Will the Hon. Minister give a categorical reply whether this Government have recommended a reduction or not? "

THE HON. DR. U. KRISHNA RAO :—" When I say that we are in correspondence, there are certain aspects on which we have made our recommendation and certain aspects on which we have not made any recommendation. In this matter there have been many points on which we have agreed and some points on which we have disagreed. The last word has not yet been said, and that is why I said that the Government of Madras were still in correspondence."

SRI V. BALAKRISHNAN :—" May I know the points on which the Government have made recommendations and the points on which they have not? "

THE HON. SRI C. RAJAGOPALACHARI :—" Sir, if you will be pleased to permit me, I should say that the question is taking quite a different turn. Any correspondence between the Government of India and the Government of the State cannot simply be made the subject of a discussion here for the purpose of either bringing credit or throwing blame on this or that Government. It is highly impolitic to say what we have recommended and what the other Government have rejected. It is better to discuss things when the correspondence is closed."

SRI PILLALAMARRI VENKATESWARLU :—" The original question has not at all been answered. The question asks whether this Government have recommended any reduction of prices of all counts of yarn. Instead of giving a reply ' yes ' or ' no ', the Hon. Minister says that he has done this thing and that thing. We request the Hon. Minister to give a categorical reply ' yes ' or ' no '. We are not asking him to place the papers on the table."

THE HON. SRI C. RAJAGOPALACHARI :—" I am sorry my Friends in the Opposition do not appreciate what I said. It is not right or proper for this Government to take a cheap opportunity to put the Government of India in the wrong before a decision is taken. When a decision is taken, it is open to us to criticize this Government or that. It is not right and it is premature and improper for me or for my Colleagues to say that we have asked for something and that the Government of India are refusing."

Centres selected for Community Projects.

* 14 Q.—SRI R. V. SWAMINATHAN : Will the Hon. the Chief Minister be pleased to state—

(a) whether the Government propose to have the scheme of Community Projects under the American Aid Programme in the Madras State;

(b) the number and the names of the centres selected; and

(c) the nature of work to be carried out under this scheme?

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THE HON. SRI C. RAJAGOPALACHARI :—" (a) Yes, Sir.

" (b) (1) Kurnool-Cuddapah Canal Area.

(2) Coimbatore (Gobi, Erode, Bhavani and Dharapuram Tahsils).

(3) Malabar (Palghat).

(4) East Godavari (Kakinada, Ramachandrapuram, Peddapuram and Pithapuram).

(5) South Kanara (Karkal, Mangalore and Coondapur).

(6) Madurai (Nilakottai, Melur and Madurai).

" (c) The object of the projects is to increase food production in the areas chosen and to provide auxiliary facilities for development under a single agency in the fields of cottage industry, sanitation, education and health."

SRI R. V. SWAMINATHAN :—" Sir, may I know the basis and principle underlying the selection of the project centres and also whether the entire expenditure on Community Projects is borne by the Central Government or shared between the Central and State Governments?"

THE HON. SRI C. RAJAGOPALACHARI :—" The selection of centres was, as far as I know, done a little before we took up office. There will still be an opportunity for examining the position when the Administrator comes down here presently. Only after all the surveys are over we can say whether the schemes might be changed to other centres, if necessary. At present, surveys are being conducted in the centres which I have mentioned. After the preliminary survey, there will be consultation and then the matter can be settled.

" As regards meeting the expenditure, I will be able to give the details on the next question."

SRI R. V. SWAMINATHAN :—" Will the Hon. the Chief Minister consider the desirability of extending the scheme to Ramanathapuram district, which is a very backward district, and give the benefit of a community project to the people there?"

THE HON. SRI C. RAJAGOPALACHARI :—" The suggestion will be considered. But I must inform the hon. Member that it can only be done by way of substitution and not by way of extension. The projects are taken up under a particular scheme and the number of projects to be taken up is settled. There are other schemes like Firka Development Schemes to cover cases like the one referred to by the hon. Member."

SRI V. R. NAGARAJAN :—" Will South Arcot district be considered in this connexion?"

MR. SPEAKER :—" If this question is allowed, I am afraid every Member will ask a similar question in respect of his district."

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SRI PILLALAMARRI VENKATESWARLU :—" May I know whether, with American aid, we are getting American officers also ? "

MR. SPEAKER :—" This supplementary can come under the next question."

'Community Projects.'

* 15 *Q.*—SRI K. KRISHNA RAO : Will the Hon. the Chief Minister be pleased to state—

(*a*) whether the Community Projects are intended to replace, and place in cold storage, large-scale projects of irrigation and generation of hydro-electricity;

(*b*) (i) whether these Community Projects are financed by loans of the U.S.A. or of the World Bank, and if so,

(ii) whether any conditions are attached to these loans;

(*c*) what the role, function and duty assigned to the officials of the United States Embassy is, in the formulation and execution of these Community Projects; and

(*d*) what the distinct powers and functions of the Union Government and the State Government are in the matter of—

(1) selection of centres for introducing the projects;

(2) directing the execution and supervising them; and

(3) providing finance?

THE HON. SRI C. RAJAGOPALACHARI :—" (*a*) No.

" (*b*) (i) Community Projects are not to be worked with the aid of any foreign loan. The Government of U.S.A. have agreed to contribute a sum of 50 million dollars *as a gift* for working the projects.

(ii) The agreement entered into between the Governments of U.S.A. and India lays down the administrative procedure to be adopted in executing the schemes under the project. No other conditions are attached.

" (*c*) General advice and technical co-operation at the Union level.

" (*d*) (1) The centres are chosen by the Central Government in consultation with the State Government.

(2) The Union Government are responsible to approve the schemes and exercise general supervision. After approval by the Central Government, the various schemes are sanctioned after the usual technical and financial scrutiny by the State Government. The execution and supervision of the Community Projects are left to State Governments.

(3) (i) The expenditure in foreign currencies will be met from allotments from the dollar contribution of the Government of U.S.A.